

June 8, 2011

Alan B. Carman, Peer Review Committee Chair
Pennsylvania Institute of CPAs
1650 Arch Street, 17th Floor
Philadelphia, PA 19103

Dear Mr. Carman:

On May 2, 2011, the AICPA Peer Review Board Oversight Task Force accepted the report and letter of procedures and observations on the most recent oversight visit for the Pennsylvania Institute of CPAs, the administering entity for the AICPA Peer Review Program, and the administering entity's response thereto. A copy of this acknowledgement, the two oversight visit documents, and your response will be posted to the AICPA Peer Review Program Web site.

The next state oversight visit will be in 2012.

The AICPA Peer Review Board appreciates your cooperation and efforts in making the peer review program a success.

Sincerely,

Randy Watson

Randy Watson, Chair
Oversight Task Force
AICPA Peer Review Board

cc: Albert E. Trexler, Executive Director, Pennsylvania Institute of CPAs
Allison M. Henry, Vice President, Professional and Technical Standards, Pennsylvania Institute of CPAs
Teresa Bordeaux, AICPA Peer Review Program Technical Manager

January 13, 2011

Robert C. Bezgin, CPA, Chair
Oversight Task Force
AICPA Peer Review Board
Palladian I Corporate Center
220 Leigh Farm Rd
Durham, NC 27707-8110

Re: Oversight Visit to Pennsylvania Institute of Certified Public Accountants

Dear Mr. Bezgin:

We have received and reviewed the oversight visit letters issued in connection with the AICPA Peer Review Board's oversight visit to the Pennsylvania Institute of Certified Public Accountants by Oversight Task Force member Jerry W. Hensley on September 15-16, 2010. The oversight visit letters have been disseminated to all peer review program committee members, administrative staff, and the technical reviewer. We are pleased to note there were no specific observations or comments included in the oversight letters on which a written response was required. This letter represents our acknowledgment of the oversight visit.

We appreciate Jerry Hensley's review of our administration of the AICPA Peer Review Program.

Sincerely,



Alan B. Carman, CPA
Chair, PICPA Peer Review Committee

PEER REVIEW PROGRAM

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cc: Albert E. Trexler, CAE – CEO & Executive Director, PICPA
Allison M. Henry, CPA – Vice President, Professional & Technical Standards, PICPA
Teresa Bordeaux, CPA – Technical Manager, AICPA Peer Review Program

Oversight Visit Report

September 16, 2010

Alan B. Carman, Chair
Peer Review Committee
Pennsylvania Institute of Certified Public Accountants
1650 Arch Street, 17th Floor
Philadelphia, Pennsylvania 19103

We have reviewed Pennsylvania Institute of Certified Public Accountants' administration of the AICPA Peer Review Program as part of our oversight program. Our procedures were conducted in conformity with the guidance established by the AICPA Peer Review Board (board) as contained in the *AICPA Peer Review Program Oversight Handbook*. The administering entity is responsible for administering the AICPA Peer Review Program in compliance with the *AICPA Standards for Performing and Reporting on Peer Reviews*, interpretations, and other guidance established by the board. Our responsibility is to determine whether (1) administering entities are complying with the administrative procedures established by the board as set forth in the *AICPA Peer Review Program Administrative Manual*, (2) the reviews are being conducted and reported upon in accordance with the standards, (3) the results of the reviews are being evaluated on a consistent basis by all administering entity peer review committees, and (4) information disseminated by administering entities is accurate and timely.

Based on the results of the procedures performed, we have concluded that the Pennsylvania Institute of Certified Public Accountants has complied with the administrative procedures and standards in all material respects as established by the board.

As is customary, we have issued a letter of oversight visit procedures and observations that details the oversight procedures performed and sets forth recommendations that were not considered to be of sufficient significance to affect the conclusions expressed in this report.

Jerry W Hensley, Member, Oversight Task Force
AICPA Peer Review Program

September 9, 2010

Alan B. Carman, Chair
Peer Review Committee
Pennsylvania Institute of Certified Public Accountants
1650 Arch Street, 17th Floor
Philadelphia, Pennsylvania 19103

We have reviewed Pennsylvania Institute of Certified Public Accountants' administration of the AICPA Peer Review Program as part of our oversight program and have issued our report thereon dated September 16, 2010. That report should be read in conjunction with the observations in this letter, which were considered in determining our conclusions. The observations described below were not considered to be of sufficient significance to affect the conclusions expressed in that report.

The oversight visit was conducted according to the procedures in the *AICPA Peer Review Program Oversight Handbook*. An oversight program is designed to improve the administering entity's administration of the AICPA Peer Review Program through feedback on its policies and procedures, and to provide resource assistance from an AICPA Peer Review Board Oversight Task Force member on both technical and administrative matters.

In conjunction with the oversight visit of the Pennsylvania Institute of Certified Public Accountants, the administering entity for the program, conducted on September 15-16, 2010, the following observations are being communicated.

Administrative Procedures

On the morning of September 15, 2010, I met with the Allison Henry, VP of Professional & Technical Standards, Heather Reimann, Technical Reviewer, Steve Kerr, Administrator of Professional & Technical Standards, and Tara Loghing, Administrator of Peer Review to review the program's administration. I believe the administrative processes were being handled in a manner consistent with peer review standards.

I reviewed the files, which were still open due to follow-up actions, which had not yet been completed. I found that the follow-up actions were being effectively monitored for completion by the administrative staff and the peer review committee.

I also reviewed the policies and procedures for the granting of extensions. I found that the peer review staff handles short-term extension requests with discussion from the committee when the circumstances warrant.

I also reviewed the timeliness of the scheduling process, technical reviews, and the preparation of acceptance and follow-up letters. I found no problems in these areas.

The Pennsylvania Institute of Certified Public Accountants has a back-up plan to support the program administration, should the staff become unable to serve in that capacity.

Web Site and Other Media Information

I reviewed the administering entity's procedures to determine if the information disseminated regarding the AICPA Peer Review Program by the administering entity on their Web site and other media information (if applicable) is accurate and timely.

I noted that the administering entity maintains current information as it relates to the peer review program. In addition, the administering entity has an individual who is responsible for maintaining the Web site and monitors the Web site to ensure peer review information is accurate and timely.

Working Paper Retention

I reviewed the completed working papers and found on no instances of noncompliance with the working paper retention policies. I noted that team captains are receiving working paper retention policy memos when reviews are completed. This serves to remind the team captains of the Program's retention requirements.

Technical Review Procedures

I met with Heather Reimann, CPA, the technical reviewer, to discuss procedures. She performs all technical reviews and is an experienced reviewer.

I reviewed the reports, letters of response, if applicable, and the working papers for all 18 reviews on the RAB agenda. I believe that all review issues were addressed properly by the technical reviewers before reviews were presented to the committee. This helped the acceptance process to be effective and efficient.

Review Presentation

On September 16, 2010, I participated with the eastern RAB, one of three regional RABs, to consider 18 reviews. I observed the RAB's acceptance process and offered my comments at the close of discussions on the peer reviews.

The meeting was very orderly. It was apparent that the committee members had reviewed the reports and working papers thoroughly prior to the meeting and had a good understanding of the program to reach an appropriate decision for each review.

Appropriate decisions were made in the acceptance process, appropriate follow-up actions were assigned and reviewers were being appropriately monitored. Reviews were being presented to the RAB on a timely basis.

Committee Procedures

I met with the committee chair on September 15, 2010. I reviewed the minutes of the executive committee and the full committee prior meetings since the last oversight and noted that the meetings appeared to be comprehensive with appropriate and timely topics being covered.

Oversight Program

The Pennsylvania Institute of Certified Public Accountants' peer review committee has adopted a formal oversight program that is well documented. I reviewed the document and procedures performed and found it to be comprehensive.

I met with the peer review staff and discussed their procedures for disseminating the comments resulting from the AICPA working paper oversights to the appropriate individuals. It was determined the committee issued reviewer feedback when appropriate.

Summary

There are no further observations to be communicated to the Pennsylvania Institute of Certified Public Accountants.

Jerry W Hensley, Member, Oversight Task Force
AICPA Peer Review Program

Cc: Mr. Albert E. Trexler, CAE - Executive Director, PICPA
Ms. Allison Henry – VP of Professional & Technical Standards, PICPA
Mr. Robert C. Bezgin – Chair, AICPA Oversight Task Force
Ms. Teresa Bordeaux, CPA – Technical Manager, AICPA